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Sable Offshore Corp.*

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

CENTER FOR BIOLOGICAL
DIVERSITY; WISHTOYO
FOUNDATION,

Plaintiffs,

v.

DEBRA HAALAND, Secretary of the
U.S. Department of the Interior;
BUREAU OF SAFETY AND
ENVIRONMENTAL
ENFORCEMENT; BRUCE HESSON,
Pacific Regional Director, Bureau of
Safety and Environmental
Enforcement.

Defendants.

CASE NO. 2:24-cv-05459-FMO-MAA

**DECLARATION OF STEVEN P.
RUSCH IN SUPPORT OF SABLE
OFFSHORE CORP.'S NOTICE OF
MOTION AND MOTION TO
INTERVENE**

Hearing

Date: November 14, 2024

Time: 10:00 a.m.

Judge: Hon. Fernando M. Olguin

Courtroom: 6D

1 Pursuant to 28 U.S.C. § 1746(2), I, Steven P. Rusch, hereby declare:

2 1. I am employed by Sable Offshore Corp. (“Sable” or the
3 “Company”), as Vice President, Regulatory & Environmental Affairs. I have over
4 44 years of experience in the oil and gas industry. Before my current position with
5 Sable, I was the Vice President, Environment, Health and Safety (EHS) and
6 Government Affairs at Freeport-McMoRan Oil & Gas, a Senior Staff Engineer at
7 ExxonMobil Corporation and the Principal at Rusch Consulting. I have a
8 Bachelor’s Degree in Civil Engineering from the University of California at
9 Berkeley and have been licensed by the State of California as a Professional
10 Engineer.

11 2. Sable is a publicly traded oil and gas company focused on
12 responsibly developing the Santa Ynez Unit in federal waters offshore California.

13 3. I have been involved in Sable’s acquisition, maintenance, and
14 development of the Santa Ynez Unit, which is the subject of this action. The Santa
15 Ynez Unit comprises 16 leases issued by the federal government between 1968 and
16 1982, including three offshore oil platforms located five to nine miles offshore in
17 federal waters north of Santa Barbara, California, as well as related pipelines and
18 112 wells. These assets were previously owned by Exxon Mobil Corporation
19 (“Exxon”) and Mobil Pacific Pipeline Company (“MPPC,” and together with
20 Exxon, “EM”).

21 4. Between 1981 and 2014, the Santa Ynez Unit produced over
22 671 millions of barrels of oil. In 2014, the Santa Ynez Unit averaged production of
23 about 29,000 barrels of oil per day.

24 5. Oil and gas produced from various platforms, including those
25 within the Santa Ynez Unit, were pumped onshore to the Las Flores facility and
26 then eventually entered two onshore pipelines operated by Plains All American
27 Pipeline, L.P. (“Plains”). One of the Plains pipelines experienced a leak, and, as a
28 result, oil and gas production in the Santa Ynez Unit was shut down in June 2015

1 until repairs could be completed. EM continued to maintain the facilities until
2 November 2022 when EM purchased the Plains pipelines, and ultimately sold the
3 Santa Ynez Unit and related pipeline assets to Sable.

4 6. Because the onshore pipelines remain active but off-line, the
5 offshore facilities in the Santa Ynez Unit are not currently producing oil and gas;
6 however, all equipment is in a near operation-ready state, with ongoing function
7 and pressure testing, inspections, upgrading and maintenance.

8 7. On November 14, 2023, the Bureau of Safety Environmental
9 Enforcement (“BSEE”) authorized an extension to resume operations for the 16
10 offshore oil and gas leases comprising the Santa Ynez Unit, which Plaintiffs
11 challenge as unlawful in this suit and seek to vacate.

12 **A. Sable Has Significant Protectable Interests Related to the Subject**
13 **of this Action**

14 8. On November 1, 2022, Sable entered into a purchase and sale
15 agreement with EM under which Sable agreed to acquire from EM the leases and
16 other assets constituting the Santa Ynez Unit in federal waters offshore California
17 and the associated onshore processing and pipeline assets (the “Purchase
18 Agreement”). On February 14, 2024, the Company consummated the Purchase
19 Agreement and Exxon assigned the 16 leases to Sable. On May 15, 2024, Sable
20 and EM completed the asset handover, which involved Sable hiring 48 former EM
21 field employees and an additional 24 employees. On May 21, 2024, the Bureau of
22 Ocean Energy Management approved all 16 lease assignments and Sable has since
23 been the leaseholder of the 16 leases.

24 9. To date Sable has obligated close to \$1 billion associated with
25 the purchase, repair, maintenance and upgrades of the assets.

26 10. Since acquisition of the assets, Sable has been diligently
27 investing in and upgrading the facilities, as appropriate, to facilitate a restart of
28 production. Contrary to Plaintiffs’ allegation, the offshore assets are well

1 maintained and in good operational order.

2 11. Although not within federal jurisdiction or at issue in this
3 lawsuit, Sable has also worked diligently to repair and upgrade the onshore
4 pipelines. In 2020, Plains All American Pipeline, L.P. entered into a Consent
5 Decree with the Federal and State Governments with respect to the onshore
6 pipelines, providing a path forward for potential restart of the same. The Consent
7 Decree resolved all regulatory claims related to pipeline leak incident and Plains
8 was required to pay various civil penalties and compensation related to the
9 incident. As part of the acquisition of the assets Sable became a party to and
10 agreed to assume compliance with the requirements of the Consent Decree.

11 **B. A Decision in Plaintiffs' Favor Would Impair Sable's Ability to**
12 **Protect Its Interests**

13 12. Since the close of the Purchase Agreement, in addition to the
14 extensive investments Sable has made to the physical infrastructure, Sable's
15 geoscience and reservoir engineering management team also has been evaluating
16 reservoir development opportunities.


17 13. Sable has identified over one hundred additional infill
18 development and step-out opportunities across the leasehold. Sable estimates that
19 over 1 billion barrels of oil are still recoverable from the Santa Ynez Unit, which
20 represents nearly \$10 billion in net contingent resources overall.

21 14. As the project developer, owner of the offshore and onshore
22 assets, and lessee of the Outer Continental Shelf leases at issue in this lawsuit,
23 Sable seeks to protect its substantial financial investments and obligations of \$1
24 billion already made as well as its significant investment of time and resources to
25 comply with all necessary requirements to responsibly and safely restart
26 production. Sable also has insight into future obligations, expenditures, and
27 activities necessary to develop and operate the assets in the Santa Ynez Unit. As
28 such, Sable is uniquely positioned to address the harm, including operational

1 delays and ramifications, that would occur if Plaintiffs' requested relief is granted
2 in this case.

3 15. As a result of its substantial investments in the Santa Ynez Unit
4 and the related federal leases that it currently holds, Sable has a significant legally
5 protectable interest in preserving and defending the November 14, 2023 extension
6 that Plaintiffs have challenged in this case. Sable's substantial interests will be
7 impaired if Plaintiffs were to prevail in this lawsuit and Sable were not permitted
8 to intervene.

9
10 I declare under penalty of perjury that the foregoing is true and correct. Executed
11 on October 15, 2024.

12
13 
14 Steven P. Rusch